

## SENATE BILL No. 559

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 22-1-1-8; IC 22-1-5; IC 34-11-2.

**Synopsis:** Equivalent jobs and wage discrimination. Provides that an employer may not discriminate against an employee on the basis of sex, race, or national origin by paying a wage less than to an employee of another sex, race, or national origin for work in an equivalent job. Requires an employer to keep certain records of wages paid to an employee and to provide certain documentation to the employee, including an annual statement of how the wages were calculated. Requires the department of labor to adopt rules, including specification of certain criteria for determining whether a job is dominated by employees of one sex, a particular race, or a particular national origin. Allows an employee claiming wage discrimination to file a complaint with the civil rights commission. Authorizes a civil action against an employer that fails to comply with certain wage reporting requirements or that takes certain discriminatory actions. Provides for damages against the employer in certain circumstances. Makes conforming changes.

**Effective:** Upon passage.

**Mrvan**

January 20, 2005, read first time and referred to Committee on Corrections, Criminal, and Civil Matters.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## SENATE BILL No. 559

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 22-1-1-8 IS AMENDED TO READ AS FOLLOWS  
2       [EFFECTIVE UPON PASSAGE]: Sec. 8. The commissioner of labor  
3       may do the following:

4       (1) Make or cause to be made all necessary inspections to see that  
5       all of the laws and rules enacted or adopted for that purpose and  
6       that the department is required to enforce are promptly and  
7       effectively administered and executed.

8       (2) Collect, collate, and publish statistical and other information  
9       relating to working conditions in this state and to the enforcement  
10      of this chapter **and IC 22-1-5** and such rules as may be necessary  
11      to the advancement of the purposes of this chapter, but no  
12      publicity of ~~any~~ information involving the name or identity of ~~any~~  
13      **an** employer, **an** employee, or other person, firm, limited liability  
14      company, or corporation shall be given. It shall be unlawful for  
15      the commissioner or ~~any~~ **another** person to divulge, or to make  
16      known in any way not provided by law, to ~~any~~ **another** person the  
17      operation, style of work, or apparatus of ~~any~~ **an** employer, or the



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amount or sources of income, profits, losses, expenditures, or any part thereof obtained by ~~him~~ **the commissioner or other person** in the discharge of ~~his~~ official duties.

(3) Except as otherwise provided by law, employ, promote, and remove clerks, inspectors, and other employees as needed or as the service of the department of labor may require, and with the approval of the governor, within the appropriation ~~therefor~~, **provided**, fix their compensation and to assign to them their duties. Employees of the department are covered by IC 4-15-2.

(4) Promote the voluntary arbitration, mediation, and conciliation of disputes between employers and employees, for the purpose of avoiding strikes, lockouts, boycotts, blacklists, discrimination, and legal proceedings in matters of employment. The commissioner may appoint temporary boards of arbitration, provide for the payment of the necessary expenses of the boards, order reasonable compensation paid to each member engaged in arbitration, prescribe and adopt rules of procedure for arbitration boards, conduct investigations and hearings, publish reports and advertisements, and do all other things convenient and necessary to accomplish the purpose of this chapter. The commissioner may designate an employee of the department to act as chief mediator and may detail other employees, from time to time, to act as ~~his~~ assistants for the purpose of executing this chapter. Any employee of the department who may act on a temporary board shall serve without extra compensation.

SECTION 2. IC 22-1-5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE] :

**Chapter 5. Wage Discrimination**

**Sec. 1. As used in this chapter, "department" refers to the department of labor created by IC 22-1-1-1.**

**Sec. 2. As used in this chapter, "employee" means an individual employed by an employer. The term does not include an employee employed by an employer for less than three (3) months.**

**Sec. 3. As used in this chapter, "employer" means a person employing six (6) or more persons within Indiana. The term does not include a nonprofit corporation or association that is exempt from federal income taxation under section:**

- (1) 501(c)(3);
- (2) 501(c)(4)(A); or
- (3) 501(c)(7);

**of the Internal Revenue Code.**

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1       **Sec. 4. As used in this chapter, "equivalent jobs" means jobs or**  
 2       **occupations that are:**

- 3           (1) equal within the meaning of the federal Equal Pay Act of  
 4           1963 (29 U.S.C. 206 (d)); or  
 5           (2) dissimilar but whose qualifications are equivalent, when  
 6           viewed as a composite of skills, effort, responsibility, and  
 7           working conditions.

8       **Sec. 5. As used in this chapter, "market rate" means the rate**  
 9       **that employers within a prescribed geographic area actually pay**  
 10       **or are reported to pay for specific jobs, as determined by:**

- 11           (1) formal or informal survey;  
 12           (2) wage study; or  
 13           (3) other means.

14       **Sec. 6. As used in this chapter, "person" means an individual, a**  
 15       **partnership, an association, an organization, a limited liability**  
 16       **company, a corporation, a labor organization, a cooperative, a**  
 17       **fiduciary trustee, a trustee in bankruptcy, a receiver, the state, a**  
 18       **political subdivision of the state, or a legal representative of any of**  
 19       **these persons.**

20       **Sec. 7. As used in this chapter, "wages" means compensation in**  
 21       **a form that an employer provides to an employee in return for**  
 22       **work performed or services rendered, including:**

- 23           (1) base pay;  
 24           (2) a bonus;  
 25           (3) a commission;  
 26           (4) an award;  
 27           (5) tips; or  
 28           (6) nonmonetary compensation if:  
 29               (A) provided instead of or in addition to monetary  
 30               compensation; and  
 31               (B) it has economic value to the employee.

32       **Sec. 8. An employer may not discriminate among employees on the**  
 33       **basis of sex, race, or national origin by paying wages to employees:**

- 34           (1) at a rate or compensation less than the rate or  
 35           compensation paid to employees of the opposite sex, a  
 36           different race, or dissimilar national origin for work in an  
 37           equivalent job; or  
 38           (2) in a job that is dominated by employees of one (1) sex, a  
 39           particular race, or national origin, at a rate or compensation  
 40           less than the rate or compensation at which the employer pays  
 41           to employees in an equivalent job that is dominated by  
 42           employees of the opposite sex, a different race, or dissimilar

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national origin.

Sec. 9. Notwithstanding section 8 of this chapter, an employer may pay different wages to employees when the payments are made pursuant to a:

- (1) seniority or merit system;
- (2) system that measures earnings by quantity or quality of production; or
- (3) differential based on any other factor other than sex, race, or national origin.

Sec. 10. An employer who pays different wages in violation of section 9 of this chapter may not reduce the wages of an employee to comply with section 9 of this chapter.

Sec. 11. A labor organization (or its agents) representing employees subject to this chapter may not cause or attempt to cause an employer to discriminate against an employee in violation of section 8 of this chapter.

Sec. 12. The department shall adopt rules under IC 4-22-2 to implement this chapter. The rules must include criteria for determining whether a job is dominated by employees of one (1) sex, a particular race, or a particular national origin. The criteria for determination must include:

- (1) whether the job has been formally classified or traditionally considered to be performed by:
  - (A) a man or a woman; and
  - (B) a Caucasian or a member of a minority race;
- (2) whether there is a history of discrimination against women or individuals of a particular race or a particular national origin regarding wages, assignment, or access to jobs, or other terms or conditions of employment;
- (3) the demographic composition of the workforce in equivalent jobs; and
- (4) a determination of the geographic area used in determining market rates.

The rules must provide a time frame for retention of records by the employer concerning the wages paid to a specific employee and the method, system, calculations, and bases used to establish, adjust, and determine the wages paid to the employees of the employer. The rules must provide for protection of the privacy of employees and must require that reports not include the names of employees or other identifying information.

Sec. 13. (a) Upon commencement of an employee's employment and at least annually thereafter, an employer shall provide to the

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employee a written statement informing the employee of the job title, wages, and how the wage is calculated.

(b) An employer shall make and preserve records, as required by rules adopted under section 12 of this chapter, that document the wages paid to employees and support the method, system, calculations, and bases used to establish, adjust, and determine the wage rates paid to its employees.

(c) An employer shall preserve the records for the periods of time required by rules adopted under section 12 of this chapter and shall make reports from the records as requested by the department.

Sec. 14. The department may use the information and data from reports submitted under section 13(c) of this chapter for statistical and research purposes, subject to IC 22-1-1-8(2).

Sec. 15. It is an unfair employment practice for an employer to:

(1) take adverse action or otherwise discriminate against an individual because:

(A) the individual has opposed an act or practice made unlawful by this chapter;

(B) has sought to enforce rights protected under this chapter; or

(C) has testified, assisted, or participated in an investigation, hearing, or other proceeding to enforce this chapter; or

(2) discharge, discriminate against, coerce, intimidate, threaten, or interfere with an employee or other person because:

(A) the employee inquired about, disclosed, compared, or discussed the employee's wages or the wages of another employee; or

(B) the employee exercised, aided, or encouraged another person to exercise a right granted or protected by this chapter.

Sec. 16. An aggrieved person may file a complaint with the civil rights commission under IC 22-9-1-6(e) if the person alleges a discriminatory practice under section 8, 10, or 11 of this chapter. The civil rights commission shall determine whether the complaint requires action to be taken under IC 22-9-1-6.

Sec. 17. (a) An aggrieved person alleging a violation of section 13(a), 15(1), or 15(2) of this chapter may file a civil action in a circuit or superior court in the county where the violation is alleged to have occurred.

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(b) The department may file a civil action in a circuit or superior court in the county where a violation of section 13(b) or 13(c) of this chapter is alleged to have occurred.

(c) If the court finds against an employer in an action under this chapter, the court shall award the individual or the department reasonable compensatory and punitive damages if appropriate, reasonable attorney's fees, appropriate expert witness fees, interest on unpaid wages at the legal rate of interest, and costs of the action.

(d) If in an action under this chapter, the court finds against the employer for a violation of section 13(a), 13(b), or 13(c) of this chapter but within its ruling makes a finding that:

(1) no substantive violation of underlying law has been found;  
and

(2) the violation is the initial violation of section 13 of this chapter by the employer;

the court may not award any damages or any penalties to the prevailing party.

(e) A civil action under this chapter must be filed not later than two (2) years after the date of the last event constituting the alleged violation for which the action is brought.

(f) The procedures and requirements for an appeal under IC 22-9-8 apply to this chapter.

SECTION 3. IC 34-11-2-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A civil action under IC 22-1-5 for a violation of wage discrimination laws must be commenced not later than two (2) years after the date of the last event constituting the alleged violation in accordance with IC 22-1-5-17(e).

SECTION 4. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 22-1-5-12, as added by this act, the department of labor shall carry out the duties imposed upon it under IC 22-1-5-12 under interim written guidelines approved by the commissioner of labor.

(b) This SECTION expires on the earlier of the following:

(1) The date rules are adopted under IC 22-1-5-12.

(2) December 31, 2006.

SECTION 5. An emergency is declared for this act.

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